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ON PAGE A1

NEW YORK TIMES
22 April 1987

PENTAGON LINKING SECRET ARMY UNIT TO CONTRA MONEY

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Special to The New York Times

WASHINGTON, April 21 — The Pentagon said today that it recently discovered that a secret Army unit disbanded in 1983 had set up a Swiss bank account that may later have been used illegally to finance arms for the Nicaraguan rebels.

A senior Pentagon official said an internal investigation had produced information suggesting that Lieut. Col. Oliver L. North, the dismissed National Security Council aide, and Maj. Gen. Richard V. Secord, who retired from the Air Force in April 1983, were among those who had access to the unauthorized Army account.

They are both under investigation on suspicion of providing military aid to the rebels, known as contras, when Congress had made it illegal for United States Government agencies to do so.

Letting Them Use Account

The Pentagon official said the evidence suggested that Colonel North and General Secord may have somehow persuaded some members of the Army unit to let them use the account for covert aid purposes after the unit had disbanded. He did not say who those people might be.

It is not known if any United States Government funds were deposited in the account and later used to aid the contras, or whether the Army account was used as a conduit for non-Government funds.

The Pentagon's chief spokesman, Robert Sims, said in a statement read to reporters this afternoon that the Defense Department was looking into the matter. He did not go into details in his statement, but the briefing continued on a background basis with an official who refused to be identified by name.

\$2.5 Million Withdrawn in Day

CBS News reported Monday night that bank records showed that \$2.5 million was withdrawn from the account in one day in 1983 and that \$75,000 of that was used to charter a freighter that carried arms to the contras. The transaction took place at a time when United States officials were prohibited from providing military assistance to the rebels.

But the CBS report did not indicate whether the money withdrawn from the Swiss bank account came from United States funds or from other deposits made to the account.

The secret Army unit, nicknamed Yellow Fruit, was headed by Lieut. Col. Dale E. Duncan, who was convicted in 1986 of submitting fraudulent expense claims in connection with activities ap-

parently unrelated to aid to the contras. He is serving a 10-year sentence at Fort Leavenworth, Kan.

The Pentagon official who spoke about the case said the Army, which investigated the finances of the secret unit for two years, still could not account for all of the unit's money and does not know whether United States Government funds went into the account. He said the Army did not even know about the existence of the Swiss bank account until the CBS News report.

The Pentagon confirmed the existence of the account and has referred the matter to Lawrence E. Walsh, the independent counsel investigating the Iran-contra affair, the official said.

The official also said that top Pentagon officials, including Secretary of Defense Caspar W. Weinberger, had no knowledge of the Swiss account and that the Pentagon had no records concerning the account, which was at the Credit Suisse Bank in Geneva.

A Puzzling Aspect

The activities and finances of the Yellow Fruit unit are not clear, despite all the investigations. One puzzling aspect is that the man who uncovered the relatively minor expense account irregularities involving Colonel Duncan was a person who had access to the Swiss account. But he did not tell any officials about the account until very recently.

According to the Pentagon official, the man, Warrant Officer William T. Golden, retired, has told investigators that he was one of the people who signed for the Swiss bank account and that General Secord and Colonel North also had access to the account. Warrant Officer Golden, who was attached to Yellow Fruit, had first raised questions about Colonel Duncan's expenses. Warrant Officer Golden is now an

Army civilian working at Fort Huachuca, near Tucson, Ariz.

Company Set Up in Virginia

To aid its secret operations, Yellow Fruit set up a company in 1983 in Annandale, Va., called Business Security International and headed by Colonel Duncan. Yellow Fruit was one of several secret Pentagon units involved in "special operations," including intelligence gathering and support for covert activities.

Yellow Fruit was disbanded in December 1983, a year after it was organized, the official said. The only activity in Central America to which it has been publicly linked was the transportation of a satellite dish to some unnamed country, according to an associate of Colonel Duncan.

Although Yellow Fruit is defunct, the Swiss bank account used by Mr. Golden and other unit members still exists, according to the Pentagon official, and the account was not frozen until recently. The official declined to discuss the finances of Yellow Fruit, except to say that most but not all of the money used by the unit had been accounted for. He declined to say whether the money not accounted for could cover the \$2.5 million withdrawal cited by CBS News.

In a related Army case in 1985, an Army judge, Col. James E. Noble, said, "The Army chose this extraordinary means to circumvent accountability for money, and it did it for a reason: specifically, to cut off the ability to find the money."

At that time, Colonel Noble acquitted Master Sgt. Ramon Barron on charges that he had misspent money deriving

from an Army covert operation. Two other Army officers were court-martialed in separate cases for financial activities involving Yellow Fruit.

Colonel Duncan is serving a 10-year sentence at Fort Leavenworth after conviction in 1986 on various charges in an Army court-martial.

An associate of Colonel Duncan said today that the officer had no knowledge of the Swiss bank account.

Mr. Golden could not be reached for comment. A former Army warrant officer attached to Yellow Fruit, Joel M. Patterson, denied any knowledge of the Swiss account in an interview with CBS News, although the network said Mr. Patterson's name also appeared on the account.

Mr. Patterson could not be reached for comment today.